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December 13, 2013

**VIA EMAIL AND FEDERAL EXPRESS**

Imran Safiulla  
Managing Director  
Racing 78 GmbH  
Muenstergasse 22  
8200 Schaffhausen  
Switzerland

Re: Notice of Failure To Make Payment Under Strategic Alliance Agreement dated as of October 23, 2012

To Racing 78 GmbH:

This firm represents KV Racing Technology LLC ("KVRT") in this matter. This serves as formal written notice under Section 14.2 of the Strategic Alliance Agreement dated October 23, 2012 (the "Agreement") that Racing 78 GmbH ("Racing 78") has breached its payment obligations to KVRT under the Agreement. Specifically, under the Agreement, Racing 78 owes KVRT an amount in excess of \$824,214.46 through December 11, 2013 (the "Past Due Amount").<sup>1</sup>

If Racing 78 does not pay in full the Past Due Amount prior to 5:00 p.m. PDT on Monday, December 23, 2013, then KVRT intends to immediately terminate the Agreement and to pursue all available remedies, including litigation if necessary. Upon termination of the Agreement, all rights and obligations of the Parties shall cease, except those that survive termination of the Agreement under Section 14.3.

Nothing in this notice waives any of KVRT's rights and remedies under the prior written notice to Racing 78 dated October 10, 2013 (the "Prior Notice"). KVRT reserves all rights and remedies under the Prior Notice, including, but not limited to, the right to

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<sup>1</sup> Racing 78 will owe additional expenses from today through the current Term of the Agreement, estimated to be \$103,450.88. KVRT will seek those amounts separately. By this letter, KVRT does not waive its right to seek these additional amounts.

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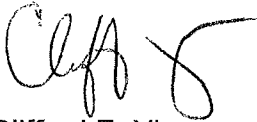
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terminate the Agreement on the basis that Racing 78 failed to pay the amounts specified in the Prior Notice by the required deadline.

If you have any questions, please contact or have your attorney contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Cliff E. Yin', with a stylized flourish extending from the end.

Clifford E. Yin